estate is concerned, I would advise the hon. Member not to be always guided by newspaper accounts that he comes across. The third aspect of his question about the post-securitisation enactment is that the Foreign Direct Investment is now being routed really with a view to acquiring those companies. At the present moment, no concern is at the stage of being auctioned off. It is a very complex procedure, which the Parliament has laid down. Secondly, the Supreme Court has put a stay on any sale, or any subsequent sale. Thirdly, the hon. Leader of the Opposition has brought to my attention, Sir, that some complaints have been received about harassment post-securitisation enactment. I am seized of those complaints. I had assured both the Houses that we would have a lenders' responsibility enactment. The RBI has already issued guidelines in that regard and I have assured the hon. Leader of the Opposition of converting the guidelines into an enactment. I do not want to rush this. I want to have the guidelines on the ground, see their effect, improve them, and then, if necessary, certainly come back to the House and have a proper lenders' responsibility enactment. But I do wish to assure the hon. Members that selling off property like this, as a route to FDI, is currently not on.

Task Force on operational parameters for corporate Governance

*108. SHRI NILOTPAL BASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Task Force was constituted by Government to evolve a set of operational parameters for ensuring good corporate governance;

(b) if so, the terms of reference of the Task Force;

(c) whether the Task Force has since submitted its report;

(d) if so, what are the salient features of the report and if the reply to part (c) above be in the negative, the reasons therefor; and

(e) the action taken by Government on the report and if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (e) A statement is placed on the Table of the House.

Statement

(a) to (e) Government constituted a Study Group in May, 2000 to examine and to operationalise the concept of corporate excellence on a sustained basis, to sharpen India's competitive edge, and to further develop the corporate culture in the country.

2. This Study Group constituted a Task Force in May, 2000 to suggest an effective action plan with a view to operationalise the concept of corporate excellence and to improve India's global competitiveness and development of corporate culture.

3. Salient features of the report of Study Group along with the action taken are as follows:—

Sl. No.	Salient features	Action taken
I.	(i) Greater role for non-executive independent directors.	(i) The role of independent directors has been enhanced through the mandatory provisions for constitution of Audit Committee, Remuneration Committee and Selection Committee.
	(ii) Tighter delineation of independence criteria.	(ii) & (iii) Greater delineation of independence and minimization of interest-conflict is being ensured through Audit Committee Rules, under finalization.
	(iii) Minimization of interest-conflict potential.	
	(iv) Stringent, punitive measures for executive directors failing to comply with listing and other requirements.	(iv) Enhancement of monetary penalty by ten times has been made in the Companies (Amendment) Act, 2000.
II.	Ensuring adequate and proper disclosures to shareholders and investing community	In the Companies (Amendment) Act, 2000 additional reporting by way of Directors' Responsibility Statement has been prescribed.
III.	Meaningful transparent accounting and reporting and greater facilitation for informed participation. business practices.	Accounting Standards to be followed by companies have been made mandatory through the Companies (Amendment) Act, 2000 for more meaningful reporting and transparency.
IV.	Emphasis on corporate social responsiveness and ethical business practices.	The Companies (Amendment) Act, 2000 prescribes the criteria for disqualification of Directors of companies defaulting in repayment of deposits, redemption of debentures or payment of declared dividend.

Sl. No.	Salient features	Action taken
V.	Setting up independent autonomous centre for corporate excellence for research development and education.	Setting up a National Foundation for Corporate Governance is being considered.

SHRI NILOTPAL BASU: Sir, earlier, we were discussing the issue of small investors, and, I feel, in a way, this question relates to that issue, because when the share markets go up or go down unusually, it is often found that the promoters or the corporate magnets also have a role in the manipulation of markets. That is there in the global context also today. Therefore, coroprate governance has come to be debated all over the world. But, unforutunately, what I found here in the reply is that, so far as the terms of reference of this Task Force were concerned, the Government did not think it fit to create a monitoring mechanism in terms of the compliance of the corporates to the set of parameters which were suggested by the Task Force. So, why did the Government not include a specific monitoring mechanism to oversee whether the recommendations made—and certain proposals about legislation is also there—are being implemented; who is going to monitor it because, as I understand it—and it has also been brought out in the JPC Report—there are umpteen number of laws in this country? But there are very few specific instruments of proper enforcement and implementation.

SHRI JASWANT SINGH: Sir, whether it is a law that is enacted by the Parliament, or a regulation that obtains in this particular case, the monitoring responsibility remains with the Department of Company Affairs. The Task Force was entrusted with this responsibility with the same specific objectives. Monitoring remains the responsibility of the Department of Company Affairs. Subsequently also, the Department of company Affairs constituted yet another Task Force and then they have taken a decision about the establishment of a Serious Frauds Investigation Office. This relates to the corporate governance. These are really integrated questions and the Department of Company Affiars is the responsible body.

SHRI NILOTPAL BASU: Sir, that is true. The Minister is very articulate; I could not explain this. But the basic issue here is that there can be a certain number of recommendations about corporate governance also.

The primary requirement for those parameters is that by nature our corporates are not evolving self-disciplining parameters to really conduct themselves in an exemplary manner. Therefore, the Government was required to evolve a set of parameters. Now the point is the Minister has been saying that the Department of Company Affairs is there for monitoring. We are told that there are 13 Inspectors throughout the country who are at the disposal of the Company Affairs Department to monitor the corporates. Therefore, they are not in a position to actually find out what their actual role is in the rigging of share prices and all that in the market. In that sense, apart from evolving certain parameters for good corporate governance, unless the Government also accepts that how it is going to strengthen the Deparment of Company Affiars—becuase there was also a proposal in the Joint Parliamentary Committee Report that the administrative and regulatory fuctions of the Department of Company Affairs must be separated so as to strengthen the monitoring business--nothing will help. Last week, I had a reply from the Minister in this House itself that nothing is under active consideration of the Government. Will the Minister clarify it?

SHRI JASWANT SINGH: Sir, I will elaborate my reply becuase really the essence of it remains the same.

MR. CHAIRMAN: There are only three minutes left for the Question Hour.

SHRI JASWANT SINGH: Yes, Sir. I will finish the reply within two minutes. I will explain to the hon. Member, the salient features of the Task-Force's Recommendations and the action taken by the Government. Firstly, the recommendation was for greater role for non-executive independent directors. The Companies (Amendment) Act of 2000 has taken care of that. Thereafter, there was a recommendation for tighter delineation of independence criteria; that has been done. Stringent, punitive measures for executive directors failing to comply with listing requirements; that has been done. Proper disclosures to shareholders—again by the Companies (Amendment) Act of 2000, which the Parliament has adopted—this has also been done. Transparent accounting and reporting; section 211(iii)(a) provides that every profit and loss account and balance sheet of the company shall comply, etc.; that has been done. I can go down with the list of recommendations of the Task Force,

and you will find, Sir, that action has indeed been taken and the responsibility of the Department of Company Affiars remains. The Department of Company Affairs also has to improve; yes, the Registrars of Companies who are spread over a number of cities in the country, they also have to improve. This is the totality.

LPG pipeline between Visakhapatnam and Hyderabad

*109. SHRI K. RAMA MOHANA RAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Gas Authority of India Ltd. (GAIL) is planning to convert its Rs. 490 crores exclusive LPG pipeline into a natural gas transportation pipeline which runs from Visakhapatnam to Hyderabad and Secunderabad; and

(b) the details of the steps being taken to develop gas distribution network in Visakhapatnam, Amlapuram, Bhimavaram, Rajahmundry, Kakinada and Secunderabad which are on the route of the pipeline?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) A statement is laid on the Table of the House.

Statement

(a) GAIL (India) Limited (GAIL) is examining the possibilities of use of a part of the Vizag-Secunderabad LPG pipeline for natural gas transportation.

(b) GAIL has approximately 716 Km. of pipeline network in Andhra Pradesh and is supplying about 7.74 Million Standard Cubic Meters Per Day (MMSCMD) natural gas in the State through the Krishna-Godavari (KG) Basin Pipeline network and Tatipaka Lanco Pipeline. This includes the recently completed 69 Km. pipeline at a cost of Rs. 113.5 crore under KG Basin Phase-II. These pipeline cover Rajamundry, Vijayawada, Kakinada, Amlapuram and Bhimavaram regions in Andhra Pradesh. Presently, there is no gas pipeline to supply natural gas in Vizag and Hyderabad-Secunderabad. In a phased manner pipeline network may be expanded to supply natural gas to these cities also.